

Agenda for an Extraordinary meeting of the Executive to be held on Wednesday, 14 December 2022 at 9.30 am in Council Chamber - City Hall, Bradford

Members of the Executive – Councillors

LABOUR
Hinchcliffe (Chair)
I Khan
Ross-Shaw
Ferriby
Jabar
Duffy

Notes:

- This agenda can be made available in Braille, large print or tape format on request by contacting the Agenda contact shown below.
- The taking of photographs, filming and sound recording of the meeting is allowed except if Councillors vote to exclude the public to discuss confidential matters covered by Schedule 12A of the Local Government Act 1972. Recording activity should be respectful to the conduct of the meeting and behaviour that disrupts the meeting (such as oral commentary) will not be permitted. Anyone attending the meeting who wishes to record or film the meeting's proceedings is advised to liaise with the Agenda Contact who will provide guidance and ensure that any necessary arrangements are in place. Those present who are invited to make spoken contributions to the meeting should be aware that they may be filmed or sound recorded.
- If any further information is required about any item on this agenda, please contact the officer named at the foot of that agenda item.

From:

Asif Ibrahim

Director of Legal and Governance

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To:

A. PROCEDURAL ITEMS

1. DISCLOSURES OF INTEREST

(Members Code of Conduct – Part 4A of the Constitution)

To receive disclosures of interests from members and co-opted members on matters to be considered at the meeting. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it becomes apparent to the member during the meeting.

Notes:

- (1) *Members must consider their interests, and act according to the following:*

Type of Interest

You must:

Disclosable Pecuniary Interests

Disclose the interest; not participate in the discussion or vote; and leave the meeting unless you have a dispensation.

Other Registrable Interests (Directly Related)

Disclose the interest; speak on the item only if the public are also allowed to speak but otherwise not participate in the discussion or vote; and leave the meeting unless you have a dispensation.

OR

Non-Registrable Interests (Directly Related)

Other Registrable Interests (Affects)

Disclose the interest; remain in the meeting participate and vote unless the matter affects the financial interest or well-being

OR

Non-Registrable Interests (Affects)

*(a) to a greater extent than it affects the financial interests of a majority of inhabitants of the affected ward, and
(b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest;*

in which case speak on the item only if the public are also allowed to speak but otherwise not do not participate in the discussion or vote; and leave the meeting unless you have a dispensation.

- (2) *Disclosable pecuniary interests relate to the Member concerned or their spouse/partner.*

- (3) *Members in arrears of Council Tax by more than two months must not vote in decisions on, or which might affect, budget calculations, and must disclose at the meeting that this restriction applies to them. A failure to comply with these requirements is a criminal offence under section 106 of the Local Government Finance Act 1992.*
- (4) *Officers must disclose interests in accordance with Council Standing Order 44.*

2. INSPECTION OF REPORTS AND BACKGROUND PAPERS

(Access to Information Procedure Rules – Part 3B of the Constitution)

Reports and background papers for agenda items may be inspected by contacting the person shown after each agenda item. Certain reports and background papers may be restricted.

Any request to remove the restriction on a report or background paper should be made to the relevant Strategic Director or Assistant Director whose name is shown on the front page of the report.

If that request is refused, there is a right of appeal to this meeting.

Please contact the officer shown below in advance of the meeting if you wish to appeal.

(Jill Bell / Yusuf Patel - 01274 434580 434579)

3. RECOMMENDATIONS TO THE EXECUTIVE

To note any recommendations to the Executive that may be the subject of report to a future meeting. (Schedule to be tabled at the meeting).

(Jill Bell / Yusuf Patel - 01274 434580 434579)

B. STRATEGIC ITEMS

LEADER OF COUNCIL & CORPORATE

(Councillor Hinchcliffe)

4. PROPOSED FINANCIAL PLAN AND BUDGET PROPOSALS FOR 2023/24

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The Director of Finance will submit a report (**Document “AI”**) which sets out the update on budget decisions and Council Tax including new proposals for consultation with the public, interested parties, staff and Trade Unions for 2023-24.

Recommended –

It is recommended that Executive, having considered the Council’s public sector equality duty as set out in Document “AI”:

- (1) Approve for consultation as required with the public, interested parties, staff and Trade Unions the proposed Council Tax and Social Care precept for 2022/23 set out in section 4.8 to Document “AI”.**
- (2) Approve for consultation as required with the public, interested parties, staff and Trade Unions the recurring investments as set out in Appendix C to Document “AI”.**
- (3) Approve for consultation as required with the public, interested parties, staff and Trade Unions the new savings proposals as set out in Appendix E to Document “AI”.**
- (4) Note the proposed use of reserves as set out in Appendix G to Document “AI”.**
- (5) Approve for consultation the proposed new capital schemes as set out in section 7.10 and 7.11 to Document “AI”.**
- (6) Approve the consultation mechanisms and processes set out in section 8 to Document “AI”.**

Overview & Scrutiny Committee: Corporate

(Andrew Cross - 07870 386523)



Report of the Director of Finance to the meeting of the Extraordinary Executive to be held on 14th December 2022

AI

Subject:

PROPOSED FINANCIAL PLAN AND BUDGET PROPOSALS FOR 2023/24

Summary statement:

This report sets out the update on budget decisions and Council Tax including new proposals for consultation with the public, interested parties, staff and Trade Unions for 2023-24

Equality & Diversity

The report sets out clearly the need for full consideration of equality impacts to be carried out as part of the Budget Strategy. These proposals would see major additional investments in support for adults and children's social care that reflect the significant positive impact that Council resources and services can have on the overall well-being of our most disadvantaged residents and communities and the opportunities available to them. As in previous years Equality Impact Assessments have been produced for the budget proposals which have potential equality implications and full consultation with relevant stakeholder groups will be undertaken. The outcome of consultation will be considered and reported upon before the 2023/24 budget is approved.

Chris Chapman
Director of Finance & IT

Portfolio:

Leader of Council and Corporate

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– Head of Finance

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Overview & Scrutiny Area:

Corporate

1. SUMMARY

- 1.1 This Financial plan updates the Medium-Term Financial Strategy (MTFS) adopted by the Executive on September 6th 2022. It sets out the budget proposals recommended for consultation and the context in which they have been developed. It includes new proposals for consultation with the public, interested parties, staff and Trade Unions for 2023-4.
- 1.2 The proposals have been developed under an unprecedented level of uncertainty and financial pressure. They seek to meet cost pressures arising from inflation and growing demand; invest in support to the most vulnerable, protect frontline services as far as is possible from cuts, and retain capacity to deliver on the district's ambitions for clean and inclusive growth.
- 1.3 Given the on-going uncertainty around funding and the volatility of the external environment a one-year budget is proposed.
- 1.4 Budget proposals include:
- £58.6m to meet cost pressures arising from inflation and increases in pay and in the National Living Wage. Given the volatility of energy prices this may be subject to change before Budget Council in February 2023.
 - Significant new investment in support for Children's Social Care of £45m subject to agreement with the new Children's Trust and Department for Education.
 - Additional support for Adult Social Care of £5m.
 - £2.7m to meet the cost of demographic growth in Adults, Children's and Waste Services.
 - £31.3m of budgeted savings; making greater use of financing flexibilities, additional income, and partner contributions as outlined in Appendix E and F.
 - 4.99% increase in Council tax and Social Care Precept as outlined in the Chancellor's Autumn statement, raising an additional £11m for vital local services.
 - £30.5m of reserve use for as outlined in Appendix G, pending the publication of the Government's provisional settlement in late December.
 - The proposals would potentially result in 3 redundancies, and every effort would be made to ensure that staff affected will be redeployed in line with Council policy.
 - The intent to continue to focus on the delivery of efficiencies and cost-effective service delivery whilst improving outcomes.
 - Proposals for a number of new investments to be added to the Capital Investment Plan including Vehicle replacements (£3m), Property Programme improvements including investments to help move the Councils estate to net zero (£4m) - this will help supplement other energy efficiency schemes already in the CIP, IT equipment upgrades (£2m), Additional contingency to help mitigate additional construction inflation (£10m), and City Centre Regeneration (£18m).
- 1.5 While increased Council tax and the use of reserves are in line with Government expectations for dealing with current financial challenges, they do not represent a fair or sustainable solution to those challenges. The Council will continue to lobby for the reforms and certainty required to secure financial stability and deliver the investment that the district needs.

- 1.6 A number of assumptions have been made about how national funding outlined by the Chancellor in the Autumn Statement would apply to Council finances. The actual amounts to be received will be better known when the Department for Levelling Up Housing and Communities publishes the Provisional Local Government Settlement in late December 2022.

2. Local Context

- 2.1 The proposed financial plan and budget proposals for 2023-24 have been developed amidst unprecedented levels of uncertainty and extraordinary pressures on local authority budgets. Nationally, increasing numbers of councils are reporting financial stress and the Local Government Association (LGA) estimates that inflation, energy costs and increases in the National Living Wage will add £2.4bn in extra cost pressures in the current financial year rising to £3.6bn in 2024-25.
- 2.2 In the current financial year, inflation and increases in demand particularly for Children's Social Care have led to additional unbudgeted pressures on Bradford Council budgets of around £70m. A wide-ranging programme of mitigating action has been implemented to control and reduce costs including reducing heating and energy costs across the Council's estate and mothballing some buildings. Any outstanding funding gap at the end of the year will have to be bridged using reserves.
- 2.3 The Council's Medium Term Financial Strategy, published in September 2022 forecast a £77m funding gap for 2023-24.
- 2.4 Bradford Council has already had to find £310m in budget reductions, savings and extra income since 2011 as a result of national austerity measures, increasing demand and rising costs. Despite having experienced a real-terms budget reduction of around 50% over this period, robust and disciplined financial management has seen the Council consistently balance its books, protect key services and invest in priorities. Now however, inflationary pressures and ongoing increases in demand for services particularly for Children's Social Care fuelled in part by the cost-of-living crisis and the legacy of COVID, are placing Council finances under unsustainable pressure.
- 2.5 Inflation, alongside the National Pay award and rises in the National Living Wage, will add an estimated £58.6m cost in 2023-24 a figure equivalent to around 15% of the Council's current net budget. Inflationary pressures for energy in council buildings and street-lights and increases in transport fuel costs. The £58.6m is also inclusive of inflationary increases on Fees and Charges for Council provided services.
- 2.6 While the Chancellor's Autumn Statement provided some welcome support for Social Care, it failed to help councils with the costs of inflation which effectively represent a real terms budget reduction.
- 2.7 The Government has made clear its expectation that councils will increase Council tax by up to 5% to help pay for services including a charge specifically for social care. This measure imposes an additional burden onto local taxpayers in the midst of a cost-of-living crisis in order to address what are national issues. The situation is compounded by the fact that Bradford cannot raise enough money locally to meet the costs of rising demand and inflation.

- 2.8 Bradford's Band D council tax is around 8% below the average for Metropolitan Authorities and 80% of households are below Band D. This means that increases in Council tax raise far less money in Bradford than in many other often more affluent parts of the country with lower levels of need. A 5% increase in Bradford District raises only half the amount per dwelling as that raised in Elmbridge in Surrey relative to size. While Bradford is the 5th most income deprived local authority district in the country, Elmbridge is home to some of the UK's highest earners and indicatively, a 5% increase would raise £11m in Bradford, compared to £22m in Elmbridge pro rata to size. When this happens year on year, the funding gap between richer councils and poorer ones just gets bigger and bigger.
- 2.9 While raising Council tax and social care to the maximum allowed without a referendum would raise around £11m a year this is dwarfed by inflationary pressures of £58.6m.
- 2.10 A number of reforms to local government finance such as the Fair Funding Review have been put on hold by national government. Independent analysis indicates that were these to be implemented Bradford would benefit by £32m a year. Much of this gap is due to the unequal distribution of Council tax across the country.
- 2.11 Demand for services and associated costs continue to grow. For example, the number of children in care rose by 61% between March 2012 and March 2022 since when it has increased by a further 7% in October 2022. Children's residential fees have increased from c£3,600 per week in 2020-21 to c£4,600 in what is recognised nationally by the Competition and Markets Authority as a dysfunctional market that allows a small number of providers to profiteer from a scarcity of places.
- 2.12 Bradford's Adult social care services are low cost and high performance compared to other authorities but face considerable and rising demand and need driven by population growth and complexity of cases.
- 2.13 Demand for services is also driven by significant levels of deprivation. Over 240,000 of the district's residents live among the most deprived wards in England; there are significant inequalities in health and educational outcomes and over a third of children live in low-income households, with 47,000 in absolute poverty.
- 2.14 The Council has invested heavily to meet demand and improve services in Children's services. Bradford is however, a relatively low spend authority on other service areas and with some 65% of the Council's net budget now spent on providing essential care and support for vulnerable children and adults there is little scope for significant reductions to be made to Departmental budgets without making cuts to services.
- 2.15 Prudent and responsible financial management over the last decade has seen the Council accumulate and invest reserves in support of key priorities. The Government has clear expectations that councils should use reserves to help meet the costs of inflation and increasing demand and Bradford's reserves now face rapid depletion in order to balance the budget in the current financial year and achieve a balanced position for 2023-24. In effect, resources set aside to invest in the district's future must now be deployed to fill significant budget gaps arising from largely external factors beyond the Council's control.

2.16 The Council remains ambitious for the district. Bradford is a major city offering unrivalled potential for growth and home to a pipeline of transformational projects including:

- City of Culture 2025.
- One City Park – Grade A Office Accommodation.
- Bradford Live – 4,000 capacity venue in the former Odeon cinema.
- Northern Powerhouse Rail – on-going campaign and preparation for a Bradford high speed rail stop.
- New Darley Street market.
- City Village – city centre living and public realm.
- Delivering the Keighley and Shipley Towns Fund programme which will deliver major projects to improve public realm, brownfield land and property; transport connectivity, manufacturing and skills, cultural assets and digital infrastructure.
- Digital Strategy
- Pioneering sustainable housing and industrial development at Esholt
- Squire Lane Leisure, Wellbeing and enterprise centre in Bradford West
- Ambitious set of levelling up bids submitted to Government for Keighley, Bingley, Bradford East and Bradford South.

Delivery of these regeneration projects will help grow our local resource base, create jobs, reduce demand for services, and improve prosperity in the district.

Council resources, services and investment are key to unlocking the district's growth potential. Under the current circumstances, changes to some services are unavoidable but large-scale cuts to non-statutory services such as economic development, housing, neighbourhood services, culture, sport and leisure that are already relatively low cost, would place those ambitions in jeopardy, decimate the day-to-day services that people, and businesses rely on and ultimately be a false economy.

2.17 Difficult decisions are therefore required about increases to Council tax, the use of reserves, ceasing some aspects of service provision and imposing constraints on spending and recruitment in order to protect as far as possible, frontline service provision and capacity to deliver ambitions for growth.

2.18 It is within this context that the budget proposals have been developed shaped by the following principles:

- Protecting and investing in services to our most vulnerable children and adults including support to meet the impact of demographic growth.
- Sustaining growth ambitions and investments.
- Protecting frontline service delivery from cuts.
- Meeting statutory duties.
- Reducing demand for high-cost services through early help and prevention.
- Ongoing transformation to sustain and improve services and outcomes.
- Equalities – working to secure equality for all and to assess and mitigate disproportionate impacts on protected characteristics and people on low income.

3 Impact of the Chancellor's Autumn Statement

3.1 Since a £77m MTFS financial gap for 2023-24 was reported to Executive in September 2022, the Government used the Chancellor's Autumn Statement on 17th November to make a number of announcements that have impacted on the financial forecasts. These included:

- An estimated c£13m of grant that the Government originally planned to provide to Councils to fund the implementation of charging reforms in adult social care. The Chancellor announced that the funding would continue to be provided, but that the implementation of the charging reforms would be delayed. This consequently results in c£13m of additional funds compared to the MTFS assumption.
- An estimated £5-6m for "Discharge to Assess", to support people to be discharged from hospital. However, as the additional funds will be required to cover existing pressures associated with Discharge to Assess, though welcome, the net impact on the net budget is neutral at c£0m.
- £400m of additional Social Care Grant, which should result in between £4m-£5m of additional grant to Bradford Council. While welcome, this confirmed assumptions that had already been assumed within the MTFS. Further it should be noted that at the time of writing it is not yet clear whether the new funding will come with new burdens or not. Should there be additional burdens this will result in additional pressures that are not currently included in these proposals.
- The reversal of the previously announced increase in National insurance contributions of c£2m. The funding provided for this has been taken back by Government, but the costs to the Council have also reduced by an equivalent amount resulting in a net £0m impact.
- That funding for Local Government would increase by allowing for a 1% increase in the referendum limit for Council Tax to 3%, and a 2% Adult Social Care precept. This results in c£4.4m of additional funding in comparison to the MTFS.
- The continued capping of the Business Rates multiplier, and the continuation of funding from the Government to compensate Councils in relation to freezing the multiplier. This is broadly as expected in the MTFS, however in the MTFS we assumed that the compensation would be based on the higher Retail Price index as in prior years, rather than CPI as now appears likely. This has reduced expected compensation by c£2.5m. It should however be noted that the implications of the Autumn Statement on Business Rates and the associated Section 31 grants are very complex and are currently being worked through. It is possible that the saving to government from the RPI to CPI change, could be returned back via an alternative method when the provisional settlement is published in late December.

3.2 The net impact of the Autumn Statement on assumptions in the MTFS is an improvement of c£18m based on best estimates using the information available at the time of writing. Bradford's share of the national funding set out in the Autumn

Statement will not be known in detail until publication of the Provisional Financial Settlement which is expected before Christmas.

3.3 Although last year's Comprehensive spending review, and the recent Autumn Statement provided councils with some welcome certainty about Government funding, the Council is proposing to set a one-year budget given the high levels of uncertainty relating to future government funding, inflation and demands in Children's and Adults Social Care.

4. Revenue Budget Proposals

4.1 The financial and demand-led operational environment requires significant funding to be set aside to meet the costs of inflation, address demand pressures in adults and children's social care and to make good on the previously agreed commitment to expand the commissioning team in adult social care. Investment in Children's Social Care and in Special Educational Needs and Disability (SEND) services is also needed to help to improve services. It is proposed that these pressures and priorities be addressed through a combination of measures including increasing council tax in line with government's expectations, financial controls and adjustments, securing additional external income, making savings and using reserves

Inflationary pressures

4.2 The proposed budget includes £58.6m to cover the estimated costs of inflation. This is inclusive of an estimated 4% pay award for 2023-24 and a catch up for a higher than budgeted pay award in 2022-23. There are also inflationary increases on contracts linked mainly to CPI, amounts to cover the increase in national living Wage increases for Social Care and other workers (a 9.7% increase from £9.50, £10.42 per hour for over 23s), 118% increases in the Energy budget for Council buildings and street lighting, 35% increases in transport fuel costs, and inflationary on Fees and Charges based on CPI. The amount required for inflationary pressures is extraordinarily high given the current economic climate, and price volatility.

New Investment

4.3 A small number of critical and essential investments are proposed, the majority of which support services to our most vulnerable residents.

4.4 Existing demographic and demand led pressures are addressed as follows:

- **Children's Services c£45m.** There have been significant increases in the number and cost of placements over recent financial years, and Children's Social Care is forecast to overspend by up to £43m in 2022-23. Children's Social Care services will be run by the Bradford Children's and Families Trust from 1st April 2023, and the Trust will require sufficient budget to deliver those services. The proposals currently include an extra £45m exclusive of additional amounts for inflation and demographic growth for 2023-24. This will however be subject to negotiation and agreement with the Trust and the Department for Education that are timetabled to conclude before the Councils budget is set in February 2023.

- **SEND £0.7m.** A recent inspection of Special Educational Needs and Disability (SEND) services resulted in an improvement plan that will require additional resources to deliver, it is proposed that £0.7m investment is made through the budget to support this.
- **Adult Social Care £5m.** Adult social care services have had significant issues in delivering previously agreed Demand Management savings as a result of the pandemic. Following a review of deliverability, and in recognition that the Department is already benchmarked as a low-cost service that performs well in relation to prevention, early help, and discharge to assess, £5m of pre-existing demand management savings are recommended to be reversed.
- **Adult Social Care Commissioning £500k.** Investment is made in line with a previously agreed commitment to strengthen capacity in adult social care commissioning and consequently to secure and sustain improved outcomes for service users.

4.5 A small number of additional investments totalling £398k per year are proposed in order to sustain an Environmental Health service that can meet statutory requirements effectively and in mortuary services including investment in the digital autopsy service.

Financial and central budget adjustments

4.6 A range of financing and central budget adjustments will contribute £18.4m to the delivery of a balanced budget for example, through maximising flexibility around the use of capital receipts, re-scheduling debt repayments, reducing contingencies, re-investment of income, and attracting additional contributions from partners as outlined in Appendix F.

New Savings proposals

4.7 New savings and income generation proposals total £13.692m in 2023-24.

Proposals include:

- Managed approach to Council vacancies to save £10m p.a.
- Closure of some council buildings to save £840K over the next two years
- Reviewing waste services to reduce costs and maximise efficiencies. This includes the potential closure of Keighley Household Waste and Recycling site - one of the least used sites with planning restrictions already constricting its hours of opening, and this potentially releases a site for business development and job creation in Keighley - and reducing hours at all HWRCs.
- Cessation of the "Aspiration Bradford" service – non-statutory provision supporting Education Partnership work.
- Charging self-funders, the full cost of adult social care – subject to separate consultation – to raise income of £1.25m a year.
- Raising £218K next year through the implementation of a consistent approach to car parking charges.
- Transforming the efficiency of the Council's transport fleet.

These and others are outlined further in Appendix E.

Council Tax and Business Rates

- 4.8 To help meet increasing demands for and costs of children's and adult social care and to avoid cuts to other services it is proposed that Council Tax is increased by 2.99% in 2023-24 and that the Social Care Precept be increased by a further 2%. In total therefore it is proposed that Council tax will increase by 4.99%. This is in line with national Government's assumptions set out in the Chancellor's Autumn Statement.
- 4.9 The overall increase will raise an additional £11m and add £77.04 a year or £1.48 a week to bills for Band D properties.
- 4.10 Overall, Council Tax would still remain very low compared to other West Yorkshire Councils and Metropolitan Councils.
- 4.11 The budget proposal forecasts growth of around 500 Band D equivalent properties in the Council Tax base raising an extra c£0.8m. This is half the amount of growth assumed in the MTFs.
- 4.12 In relation to Business Rates there is a significant amount of uncertainty in relation to revaluations; moves on to the Governments central list, and the impact on S31 Grant compensation from the Government amongst others. The implications are currently being worked on, and a further report setting the Council Tax and Business Rates base will be provided in January 2023.

Use of Reserves

- 4.13 £2m of Department of Place reserves, are planned to be repurposed to help cover budget pressures in that Department, and it is proposed that the outstanding Council wide budget gap of £28m should be filled through the use of Council reserves pending publication of the Government's Provisional Settlement in late December.
- 4.14 Overall, reserve levels have reduced significantly in 2022-23. £87.2m of reserves have already been drawn down in 2022-23 as outlined in Appendix 2 and further use of reserves will be required to address any overspends at the end of the financial year and to pay for any earmarked commitments.
- 4.15 The table below summarises the Council's reserve levels. At 30th September 2022 reserves stood at £187.6m (Council £141m and Schools £46.6m). The Council currently has £19.5m of General Fund reserves.

	Closing Balance 2020-21 £m	Closing Balance 2021-22 £m	Opening Balance 2022-23 £m	Net Movement	Balance as at 30 th September 2022 £m
Council reserves	256.5	228.2	228.2	-87.2	141.0
Schools Delegated budget	42.9	46.6	46.6	0.0	46.6
Total	299.4	274.8	274.8	-87.2	187.6

- 4.16 The Council keeps the allocation and use of reserves under regular review and has undertaken an exercise to use previously earmarked but as yet un-committed Departmental reserves to support the budget process.
- 4.17 While the use of reserves to balance Council budgets in the face of extraordinary pressures is in line with Government expectations, these resources can only be spent once. Reserves are not a sustainable solution to the Council’s current financial challenges and face rapid depletion.
- 4.18 Taking account of reserves likely to be required for this year and next, the Council is currently on an unsustainable path and the current projections are that the Council would run out of useable reserves in the middle of 2024/25 without additional funding or savings.

5 Impact on Jobs

- 5.1 A small number of jobs are directly impacted by these proposals and every effort will be made in line with Council policy to ensure that staff affected will be re-deployed.
- 5.2 The plan to manage vacancies and limit recruitment, while protecting current Council employees, will result in a significant reduction in overall capacity across a number of service areas.

6 Securing a sustainable financial future.

- 6.1 Overall, the proposed budget strategy invests in support to our most vulnerable and protects as far as is possible, frontline services and capacity to deliver priorities. Nevertheless, under the circumstances it is inevitable that there should be some direct impact on service delivery and constraints on recruitment will also squeeze capacity.
- 6.2 The Council already has a wide-ranging programme of mitigations to address budget pressures and will continue both to press down on costs and to deliver a programme of transformation that will help us to improve efficiency and sustain services. Past examples of this include the Street Lighting programme, which is contributing to significant energy savings, and given current energy prices, the current energy overspends would have been significantly higher had this transformation not happened.

Further examples being worked on include:

- Learning Disability service transformation is ongoing, which will result in lower costs and more personalised services
- Procurement efficiencies.
- Museums – the service has recently been granted a National Portfolio award with finance to improve services and engagement with local communities.
- Further development and implementation of the locality model
- Prevention & Early Help
- Property rationalisation and energy reduction proposals
- Transitions service review

If this work were not in progress the Council would face an even higher budget gap in the next financial year.

- 6.3 Financial adjustments and reductions in contingencies while having no immediate impact on service delivery, do nevertheless potentially affect the Council's future financial resilience and capacity to respond to urgent and emerging issues. Use of capital flexibilities as outlined will ultimately lead to increased costs through additional borrowing and interest payments.
- 6.4 While increases in Council tax and the use of reserves are in line with Government expectations and will help to protect services over the short-term, they represent neither a sustainable nor a fair solution to local government funding.
- 6.5 The recent decision of the Secretary of State for Levelling Up Housing and Communities to review the Council tax regime is welcome. The Council urges the Government to use this opportunity to provide greater stability, certainty and fairness in Council financing and to help get Bradford's finances on a sustainable footing so that the Council can continue working to build the conditions for clean and inclusive growth while providing good quality services and protecting the most vulnerable. The Council will continue to lobby for and position the district's interests with regional and national stakeholders and Government to secure the resources and investment that the district needs.

7 Capital Investment Plan and new Capital Investment Proposals

- 7.1 The Capital Investment Plan (CIP) shows budget spend on infrastructure items, such as housing, roads, Council land and buildings, sports centres and vehicles. Technically, the definition for inclusion in the CIP is that the spend delivers a service benefit lasting more than one year: for example, a new-build sports centre or school extension.
- 7.2 The CIP differs from the other (revenue) budget items listed in this report, which relate to day to day spend. An example of day to day spend are the salaries of employees who run sports centres. Being periodic, these costs fit easily into an annual budget cycle.
- 7.3 In contrast, individual projects in the CIP tend to be one-off and sometimes the build phase cuts across annual budget cycles: so are planned over multi-year periods, updated incrementally at each annual budget for any changes. The current CIP position (prior to any update for the 2023-24 budget cycle), was reported in the Council's 2022-23 quarter 2 Finance Report and is shown below:

Table A – Capital Investment Plan Quarter 2 2022-23

Directorate	Budget 22-23	Budget 23-24	Budget 24-25	Budget 25-26 onwards	Total
	£m	£m	£m	£m	£m
Health and Wellbeing	3.0	7.9	1.9	0.8	13.6
Children's Services	13.6	11.7	3.3	1.2	29.8
Place - Economy & Development Services	51.1	64.4	11.2	8.7	135.4
Place - Planning, Transport & Highways	41.1	78.1	60.6	44.2	224.0
Place - Other	18.8	34.0	26.8	3.7	83.3
Corp Service - Estates & Property Services	39.7	15.3	10.1	4.0	69.1
TOTAL - Services	167.3	211.4	113.9	62.6	555.2
Reserve Schemes & Contingencies	3.1	94.5	104.8	68.2	270.6
TOTAL	170.4	305.9	218.7	130.8	825.8

7.4 The CIP is funded from a number of different sources, with the remainder leaving a borrowing requirement, as set out below:

Table B – Capital Investment Plan Quarter 2 2022-23 Funding

	Grants, sec 106, reserves £m	Capital Receipts £m	Borrowing £m	Total £m
Total	407.8	16.6	401.4	825.8

7.5 Some funding sources, such as specific capital grants and capital receipts, directly fund the expenditure in the CIP; this avoids borrowing and has no implication for the revenue budget. However, a small element of the CIP is funded directly from Revenue budget, which does have direct cost implication for the revenue budget. Revenue budgets funding capital spend have been removed in 2022-23 and this will continue in 2023-24.

7.6 A larger funding element is provided from borrowing which generates Capital Financing costs. It is here that there are additional costs within the revenue budget - allocated to Non service, in other lines of this report.

7.7 Capital Financing costs include the allocation of the borrowing amount across revenue budget years: the borrowing amount is usually apportioned over future revenue budgets in equal amounts, for as long as the building or vehicle is expected to be in use - this is known generally as depreciation but is called the Minimum Revenue Provision (MRP) within Local Government.

- 7.8 Capital Financing costs also include interest on the borrowing amount. These costs are time specific and charged to revenue as they fall.
- 7.9 Incremental changes to the CIP for the 2023-24 budget cycle will include the continuation of on-going capital programmes. The changes also include new proposals relating to priority outcomes in the Council Plan.
- 7.10 Proposals for inclusion in the Council’s revised Capital Programme comprises: -
 The rolling programme- this includes the on-going investment that is needed to continue existing services and commitments. The following amounts have been included in the 2026-27 programme:
 - Replacement of Vehicles - £3m. This is a nominal figure that is allocated each year. The intention is to procure energy efficient vehicles, such as electric.
 - Property Programme - £4m
 - General contingency for unforeseen capital expenditure - £1m
 - IT Device Refresh Programme - £2m
- 7.11 Currently there are two proposals for further capital investment. It is proposed these be identified as ‘reserve’ schemes, pending the presentation of full project appraisals to the Project Appraisal Group for review before seeking Executive approval. A brief description of this proposal and the benefits is given in the Table below.

Proposed Scheme	Total Budget £000	Description / Benefit
Corporate Resources		
PCS1 City Centre Regeneration	18,000	Additional funding for regeneration purposes. The additional costs will be funded through corporate borrowing.
PCS2 Inflation Contingency	10,000	The existing capital programme has been impacted by inflationary price increase with some substantial increases in construction related activity. BCIS indicate an 8% annual increase in costs as at Quarter 3 2022. The anticipated trend at the moment is for the increase to continue, with an easing of price increases only anticipated to show around the end of 2024. The Inflation Contingency is proposed to be allocated to schemes where value engineering or other options are not able to mitigate cost pressures and retain the scheme viability and secure desired outcomes. It is proposed the utilisation of the Inflation Contingency be delegated to the Strategic Director, Corporate Resources as the senior director responsible for Estates, Finance, Legal and Procurement services. The additional costs will be funded through corporate borrowing.
TOTAL	28,000	

7.12 In addition to the schemes above there are other possible schemes that are at a very early stage of development. The budget position means only invest to save schemes should be considered for further capital investment. Further work and investigations will be completed during 2023-24 and they will be brought to Executive for approval.

7.13 Also, the Council could consider foregoing some further capital investment and take a revenue saving instead. Previous analysis of the CIP has indicated that there are a number of schemes that have either not started or have only partially progressed. There is the potential to free up resources in the CIP by either deleting or delaying some of these projects.

7.14 The current proposals include the removal / reduction of budget for a number of schemes. A description of these schemes is provided in the table below and further work is required to identify any others.

Scheme	Proposed Budget reductions £'000	Current Position
Children's Service		
Laptops	1,800	Originally included to invest capital funding in Digital Inclusion for Disadvantaged Children & Young People by investing in an infrastructure to support the programme. It is proposed to reduce the budget to £0.4m over two years.
Digital strategy	400	Original budget of £1.2m was approved in 2020 to provide electronic devices to disadvantaged children. Part of the budget has been used but where possible, alternative funding sources were used. It is proposed to reduce the budget to £0.3m over the next three years.
Place		
Alternative fuel centre & Vehicles	6,030	Remove in full from the CIP the Alternative Fuel Centre scheme costed at £6.0m, following an alternate private sector led proposal.
Blight Sites	840	£0.3m of the £1.14m Budget for Blight Site will be used on the former Manor House site, Manningham. The remaining budget will be removed, and any future schemes will be developed as separate capital bids.
King George V Playing Fields	1,020	Currently no plans are in place for this scheme, so it is proposed that it is removed completely from the CIP. It will be revisited once plans are developed.

Corporate Resources		
District Heat	12,815	Plans for a district heat network in Bradford City Centre are now being taken forward by a private developer. A scheme completed by the Council is no longer required, however there would be future capital expenditure required to enable the conversion of council buildings to receive heat from the district heat network.
Strategic Acquisitions	23,460	Changes to the Prudential Code mean that it is no longer possible to invest in schemes, which are solely income generating ones. CIP Reserve Schemes currently include £43.5m for Strategic Acquisitions and it is proposed that this is reduced to £20m. Any new approved schemes for the remaining budget will need to meet the new Code requirements. Also any new scheme would still need to be invest to save on the funding.
Keighley One Public Estate	17,000	Now included as part of another scheme. A reduced budget of £1m will remain for potential Council works.
Museum Store	500	A new proposal linked to the City of Culture is to be developed and a replacement for the Museum Store will be considered as part of this.
City Hall	4,500	A budget reduction of £4.5m is proposed due to the original scheme no longer going ahead. A revised scheme is being developed and the budget will be revisited once plans are further developed
Total	68,365	

8 BUDGET ENGAGEMENT AND CONSULTATION, AND EQUALITY IMPACT

- 8.1 The intention of this consultation is to provide the people of the district and other interested parties with opportunities to provide their views on the budget proposals, to help shape and inform final decisions. The budget consultation will seek comments on proposals for the financial year 2023/2024.
- 8.2 The consultation will be open from 14 December 2022 to 25 January 2023. The consultation will comprise of a survey enabling individuals and organisations to comment on the proposals of their choosing. Public consultation meetings will also take place within the district. Responses can be provided online or by writing to the Council using a freepost address. Social media (Twitter and Facebook) and the Council's app will also be used to promote the consultation.

- 8.3 Consultees will be encouraged to comment on the proposals and also any impacts they feel might be felt by particular groups of people (in line with the Public Sector Equality Duty). The Council has carried out equality impact assessments on proposals, with those showing potential impacts against the protected characteristics, and the locally agreed protected characteristic of low income, being published on the Council's website here [Equality Impact Assessments | Bradford Council](#)
- 8.4 Should the proposals be accepted at the Council's Budget meeting on the 23 February 2023, equality impact assessments will be undertaken as part of delivering those proposals.
- 8.5 The outcome of the consultation will be presented to the Council's Executive on 31 January 2023. The Executive will then give consideration to the feedback and any equality impacts as they finalise their budget proposals on 21 February 2023 in advance of Budget Council on 23 February 2023. It is worth noting that in addition to the current formal budget consultation, other engagement and consultation activities will continue to be run separately by Council Services on budget changes agreed in previous years.

9. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 9.1 The financial plan assumes that remaining savings that are currently behind plan and do not feature in these proposals will be either fully back on track by 2023-24 or mitigated through proposals in this report.
- 9.2 The Local Government Financial Settlement will have an effect on the current assumptions underpinning this financial plan. There could be changes to the actual forecast flow of specific grants or a revision to the assumptions.
- 9.3 The extent of additional stipulations associated with new funding for Adult Social Care announced as part of the Chancellors Autumn Statement are currently unknown. If there are new stipulations, this would add additional financial pressure.
- 9.4 Additional income planned to be received from Health partners remains subject to negotiation and agreement.
- 9.5 Investment into Children's Social Care to fund the Bradford Children's & Families Trust remains subject to negotiation and agreement with both the Trust leadership and the Department for Education.
- 9.6 The budget proposals include a number of amendments to financing, including using capital funding flexibilities to cover qualifying costs previously funded by revenue expenditure. Using these flexibilities will cost the Council more in the longer term, as much of the expenditure will be financed using borrowing, which attracts interest.
- 9.7 Further, making changes to accounting policies like the Minimum Revenue Provision will provide near term budget savings, whilst causing additional budget pressures in the medium to long term.

- 9.8 Additionally, the impact of any changes to international trading conditions and the national economy could feed through into additional pressures for the Council.
- 9.9 Consultation outcomes may mean that specific proposals cannot be delivered or need adjusting.

10. LEGAL APPRAISAL

- 10.1 The Local Government Act 2003 s25(2) imposes a duty on authorities when making a budget calculation to have regard to a report of the chief finance officer as to the robustness of the estimates and the adequacy of the proposed reserves. This is the “S151 officer report” which will be presented to Executive on 21 February 2023.
- 10.2 Authorities are required to monitor and review from time to time during the year their income and expenditure against their budget, using the same figure for financial reserves. If having conducted this review, it appears to the authority that there has been a deterioration in its financial position, it must take such action, if any, as it considers necessary to deal with the situation, and be ready to take action if overspends or shortfalls in income emerge. This is a statutory duty. If monitoring establishes that the budgetary situation has deteriorated, authorities are required to take such action as they consider necessary.
- 10.3 Section 149 of the Equality Act 2010 (the public sector equality duty) provides that:
- (1) A public authority must, in the exercise of its functions, have due regard to the need to—
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- (2) A person who is not a public authority but who exercises public functions must, in the exercise of those functions, have due regard to the matters mentioned in subsection (1).
- (3) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—
- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
 - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
 - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- (4) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

(5) Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—

- (a) tackle prejudice, and
- (b) promote understanding.

(6) Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

(7) The relevant protected characteristics are—

age;
 disability;
 gender reassignment;
 pregnancy and maternity;
 race;
 religion or belief;
 sex;
 sexual orientation.

Officers have prepared equality impact assessments on those proposals which may have an impact on people with particular protected characteristics to assist elected members in having regard to this duty.

- 10.4 Section 3(1) Local Government Act 1999 imposes a duty on local authorities to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Section 3(2) requires local authorities to consult representatives of
- persons liable to pay any tax in respect of the authority
 - persons liable to pay non-domestic rates
 - persons who use or who are likely to use services provided by the authority,
 - persons appearing to the authority to have an interest in any area within which the authority carries out functions

for the purpose of deciding how to fulfil the duty imposed by Section 3(1).

OTHER IMPLICATIONS

11 EQUALITY & DIVERSITY

All proposals which may have an impact on people with particular protected characteristics have been subject to an equality impact assessment, to assist the Council in fulfilling its public sector equality duty. These are being published on the Council's web site.

<https://www.bradford.gov.uk/your-council/council-budgets-and-spending/equality-impact-assessments/>

Feedback on the equality assessments will be sought through the consultation process, and the equality assessments will then be updated accordingly.

The consultation provides the opportunity for the Council to better understand the consequences for individuals with different protected characteristics likely to be affected by changes.

Elected Members must consider the Equality Assessments in full as part of the proposal development and then again as part of their final budget recommendations post consultation.

12 SUSTAINABILITY IMPLICATIONS

Addressing and prioritising investment and action on the Climate Emergency is central to creating a more prosperous, healthy and resilient district. This reflects one strand of the Council and District’s response to the UN Sustainable Development Goals. Ensuring the long-term well-being of the district is a central objective of the Council.

Significant transformation will be required across the organisation, in our partnership working and across the district’s communities to act rapidly and wisely over the next five to 20 years. We will need to learn to live and work differently, to create a district fit for our children and grandchildren. The Council is committed to partnership working that supports and protects the most vulnerable in our society as we build an inclusive and prosperous district. The budget and the resources it allocates to our core priorities and services and the specific allocation for environmental action is part of the Council’s commitment to community involvement and supporting a more just and resilient district.

13 COMMUNITY SAFETY IMPLICATIONS

Where there are any community safety implications arising from individual budget proposals these will be covered in the consultation exercise. Any implications arising from the consultation will be presented to subsequent meetings of the Executive.

14 HUMAN RIGHTS ACT

There are no direct human rights implications arising from this report.

15 TRADE UNION

The statutory requirement to consult with Trade Unions under S188 Trade Union and Labour Relations (Consolidation) Act 1992 where 20 or more redundancies are proposed within a 90-day period does not arise in respect of the new budget proposals for 2023/24 as there are currently forecast to be a small number (3) of potential redundancies.

It should be noted that consultation on workforce implications on budget changes agreed in previous years will continue to take place.

Senior management will be explaining the financial position and the proposals in more detail to the Trade Unions at the Trade Union meeting on the 14th of December 2022. Further Consultation will continue as required at Departmental consultation meetings and at OJC1 on 15th December 2022. Any Trade Union feedback will be collated and will be reported at Executive in February 2023.

We will share the proposals with the Trade Unions on the 14th of December 2022 after the Executive meeting as they are entitled to be consulted and comment even on the proposals that do not have workforce issues. If there are any questions, they can raise

them at their departmental meetings. Any feedback we will collate and feed in as stated above.

All employees will be briefed on the budget proposals through line management and key communications/Bradnet that will be cascaded accordingly.

16 WARD IMPLICATIONS

In general terms the impact will typically be felt across all wards. Some proposals could potentially have a more direct local impact on individual organisations and/or communities. It is expected that the consultation process will allow an analysis of local impacts to inform final decisions.

17. NOT FOR PUBLICATION DOCUMENTS

None.

18. RECOMMENDATIONS

18.1 It is recommended that Executive, having considered the Council’s public sector equality duty as set out above:

- Approve for consultation as required with the public, interested parties, staff and Trade Unions the proposed Council Tax and Social Care precept for 2022/23 set out in section 4.8.
- Approve for consultation as required with the public, interested parties, staff and Trade Unions the recurring investments as set out in Appendix C
- Approve for consultation as required with the public, interested parties, staff and Trade Unions the new savings proposals as set out in Appendix E
- Note the proposed use of reserves as set out in Appendix G
- Approve for consultation the proposed new capital schemes as set out in section 7.10 and 7.11 of this report.
- Approve the consultation mechanisms and processes set out in section 8.

19. APPENDICES

- Appendix A: Proposed Council Revenue Budget 2023 – 24
- Appendix B: Previously approved revenue investments that impact on 2023-24.
- Appendix C: New investments for consultation
- Appendix D: Existing approved savings
- Appendix E: Schedule of proposed savings for consultation
- Appendix F: Schedule of financing and central budget adjustments
- Appendix G: Proposed reserve use.

20. BACKGROUND DOCUMENTS

- Qtr. 2 Finance Position Statement – Executive - 8th November 2022
- Medium Term Financial Strategy 2023/24 to 2025/26 – Executive – 6th September 2022
- The Council’s Revenue Estimates for 2022/23 – updated – Budget Council 17th Feb 2022

Appendix A- REVENUE BUDGET 2023-24

1.1 The table below shows the 2023-24 budget requirement based on the budget proposals outlined within this report. An analysis of changes since the Medium-Term Financial Strategy was reported to the Executive in September 2021. Further detail explaining the changes are provided in Table 1.

Table 1

Cumulative gap £000s	2023/24 per MTFS in Sept 2022 £000s	Change since MTFS £000s	2023/24 Budget Proposals Dec 2022 £000s
2022/23 Base Budget	388,456		388,456
Base Budget	388,456		388,456
Existing Pressures in Children's & Adults Care (App A)	50,000		50,000
Investments previously approved (App B)	500		500
New Investments for Consultation (App C)	300	798	1,098
Inflation	58,604		58,604
Demographic Growth	2,713		2,713
Funding Changes	(15,100)	(10,332)	(25,432)
Base Net Expenditure Requirement	485,472	(9,534)	475,938
Reversal of One-Off investments	(1,600)		(1,600)
Existing approved savings (App D)	(350)		(350)
New Savings for consultation (App E)	0	(13,692)	(13,692)
Capital financing & central budget adjustments (App F)	0	(18,390)	(18,390)
Net Expenditure Requirement	483,522	(41,616)	441,906
RESOURCES			
Localised Business Rates	(64,000)	98	(63,902)
Top Up Business Rates Grant	(69,259)	0	(69,259)
Revenue Support Grant	(35,875)	(917)	(36,792)
Assumed additional RSG replacing New Homes Bonus	(3,342)	(597)	(3,939)
Council Tax Income	(229,642)	(3,648)	(233,290)
Pre agreed Use of reserves	(4,250)	0	(4,250)
Dept of Place reserve use (App G)	0	(2,000)	(2,000)
Use of reserves to balance the budget (App G)	0	(28,473)	(28,473)
Total resources	(406,368)	(35,539)	(441,906)
Budget shortfall/(surplus)	77,155		0

Reconciliation of major changes from the MTFs

1.2 The table below provides a reconciliation of the major changes from the £77.2m Financial gap outlined in the MTFs in September 2022.

£77.2m	Financial Gap per the MTFs in September 2022.
+£0.8m	New Investments – The addition of SEND (£0.7m), Digital Autopsy (£0.072m) and Mortuary Staffing (£0.058m) since the MTFs as shown in Appendix C
+£0.4m	Funding Changes - reduced New Home Bonus assumptions
+£0.1m	Funding Changes – marginally reduced Lower Tier Services grant following Autumn Statement.
-£18.5m	Funding Changes – Estimated allocation of additional Adult Social Care funding following the Autumn Statement. This is inclusive of additional amounts for Social Care Grants and Discharge to Assess funding expected to be received via the Better Care fund.
+£5m	Funding Changes – Discharge to Assess Costs already being incurred. To be covered by above Discharge to Assess funding.
+£2.6m	Funding Changes – Revised assumption about S31 Grant Compensation expected to be received from Government following their decision to cap the Business Rates multiplier in the Autumn Statement.
-£13.7m	New Proposed Savings as outlined in Appendix E
-£18.4m	Financing and other central budget adjustments as outlined in Appendix F
-£0.9m	Resources – Revised assumption about Revenue Support Grant following Autumn Statement.
-£0.6m	Resources – Revised assumption about additional Revenue Support Grant (or other grant), from a redistribution of prior New Homes Bonus funding.
-£3.6m	Resources – Additional amount raised from Council Tax/ Adult Social Care increases following announcements in the Autumn Statement (c£4.4m), less reduced Band D growth assumptions (c£0.8m)
-£2.0m	Resources – Additional Department of Place reserve drawdown to support 2023-24 budget
-£28.5m	Resources – Amount of Reserves required to be used to balance the 2023-24 budget pending the publication of the Provisional Settlement
£0	Financial Gap per this Budget proposals report.

Appendix A – Existing pressures for consultation until 25th January 2023

Appendix Costs and Savings are shown for both 2023-24 and 2024-25 in comparison to the 2022-23 Budget

Existing Pressures for consultation		2023-24	2024-25
		£'000	£'000
	Children's Social Care Pressures	45,000	45,000
	Adults Social Care Pressures – part reversal of prior Demand Management Saving	5,000	5,000
	Total	50,000	50,000

Appendix B - Schedule of agreed recurring investments previously consulted on (for reference only)

Recurring Investments for 2023-24 previously consulted on (For reference only)		2023-24	2024-25
		£'000	£'000
HWR8.1	Adults Commissioning Team expansion (£500k increase in each year for 3 years from 2021-22 as previously planned)	500	500
	Total	500	500

Appendix C - Recurring investment proposals which are open for consultation until 25th January 2023

Proposed Recurring Investments for 2023-24 - for consultation		2023-24	2024-25
		£'000	£'000
	SEND Improvement Plan - Additional investment in SEND in line with improvement plan	700	700
	Environmental Health – Support recruitment to enable the Council to meet its statutory requirements and meet demand generated through City of Culture	268	268
	Digital Autopsy Scanner - investment in the digital autopsy (non-invasive post mortem) service	72	72
	Share of Mortuary Staffing Costs - required to address a shortfall identified following inspection from HTA (Regulator).	58	58
	Total	1,098	1,098

Appendix D - Schedule of agreed savings previously consulted on (for reference only)

Recurring Savings for 2022-23 previously consulted on (For reference only)		2023-24	2024-25
		£'000	£'000
6X1	Welfare Advice & Customer Service - Fundamental change to the way the Council and its partners deliver customer facing Services, focussed on customers getting the 'right support at the right time'.	(350)	(350)
	Total	(350)	(350)

Appendix E - Schedule of proposed savings open for Consultation until 25 January 2023

Savings proposals		2023-24	2024-25
		£'000	£'000
CH6	Aspiration Bradford – cease service	(140)	(140)
CH8	Child Friendly City – Reduce non-staffing Costs	(35)	(35)
CR25	Digital Mailroom - Reduce outgoing mail and printing costs	(75)	(75)
CR4	Vacancy Review & Abatement Factor – keep vacant posts unfilled for longer.	(10,000)	(10,000)
CR6	Estates - Closure of Argus and MMT 23-24. Closure of Britannia and additional sites 24-25.	(279)	(840)
CR8	IT Programme – Implement IT strategy; initial savings identified	(350)	(350)
HW7	Charging Adult Social Care Self Funders full costs – This is being separately consulted on.	(1,250)	(1,250)
R40	Car Parking - Implement consistent parking regime	(218)	(308)
R52	PTH Improvement Plan implementation	(320)	(420)
R54	CCTV commercialisation - Opportunities for CCTV commercialisation. Historic business case to be reassessed to determine viability and options.	(25)	(25)
R71	Fleet Review: Transformation programme Looking at Fleet efficiencies that includes reducing Grey Fleet, centralising budgets, reducing the use and costs of hire vehicles, value for money planned vehicle replacement plans.	(500)	(700)
R41	Waste Review – Reviewing waste services to reduce costs and maximise efficiencies including the potential closure of Keighley Household Waste and Recycling site, one of the least used sites with planning restrictions already constricting its hours of opening, and reducing hours at all HWRCs.	(500)	(1,100)
Total		(13,692)	(15,243)

Appendix F – Financing and central budget adjustments (for reference only)

Financing and Central budget adjustments (For reference only)		2023-24	2024-25
		£'000	£'000
CR10	Capitalisation: Impact of recent Executive decision to fund Directly Financed Capital Expenditure through borrowing instead.	(900)	(900)
CR12	Flexible use of capital receipts – apply to use Capital receipts flexibilities to fund transformation and other qualifying revenue expenditure.	(2,000)	(2,000)
CR13	MRP (Minimal Revenue Position) review - Change policy to annuity method from straight line.	(1,000)	(1,000)
CR5	Capitalisation: capitalise project manager and other support service costs currently funded by revenue budgets in line with Executive approval in 2022-23	(1,000)	(1,000)
R56	Clean Air Zone Funding – Opportunities for reinvestment in activities supporting clean transport, improved air and environmental quality	(3,000)	(3,000)
R59	Maximise funding from devolution.	(640)	(640)
CH9	Increase Dedicated Schools Grant Early Years Block contribution	(350)	(350)
CH1	Health Investment – Seek contributions for CHC and shared funding commitments for Children’s Social Care.	(6,000)	(6,000)
R78	UK Shared Prosperity Fund - Management Fee to be used to cover existing staff costs	(100)	(100)
R53	Housing Revenue Account Implementation in line with prior Executive approval – Saving on General Fund Minimum Revenue Provision for prior Housing related capital expenditure.	(500)	(500)
CR28	Pension Pre Payment - pay annual pension contributions to West Yorkshire Pension Fund on day 1 of financial year rather than in monthly instalments.	(500)	(500)
CR30	Reduce employers pension contribution rate in line with WYPF requirements.	(400)	(852)
CR31	Reduce Corporate Contingency revenue budget from £3.0m to £1.0m.	(2,000)	(2,000)
	Changes to capital financing requirement (MRP and interest) to fund schemes in the Capital Investment Plan.	0	2,527
	Total	(18,390)	(16,315)

Appendix G Proposed Use of Reserves

The reserves that are proposed to be used to fund the remaining budget gap pending publication of the Governments Provisional Settlement in late December are outlined below

Reserve drawdown		2023-24
		£'000
	Financing Reserve	28,473
	Dept of Place Reserves	2,000

Reserves

The table below provides a summary of the Councils reserve levels. On 30th September 2022 reserves stood at £187.6m (Council £141m and Schools £46.6m).

	Closing Balance 2020-21 £m	Closing Balance 2021-22 £m	Opening Balance 2022-23 £m	Net Movement	Balance at 30 th September 2022 £m
Council reserves	256.5	228.2	228.2	-87.2	141.0
Schools Delegated budget	42.9	46.6	46.6	0.0	46.6
Total	299.4	274.8	274.8	-87.2	187.6

The Council has £19.5m of General Fund reserves.

Overall, reserve levels have reduced significantly in 2022-23. £87.2m of reserves have already been drawn down in 2022-23.

Other reserves will also get drawn down at year end to pay for earmarked commitments, and any year end overspend in 2022-23 will also have to be funded from reserves.

The Council's strategy for reserves is to use them for:

- Time limited investment in a Council priority.
- Smooth the transition to a lower cost base; and/or
- Complete a delayed project connected to a Council priority.

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